

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS

MINUTES OF April 24, 2013  
1:30 P.M.

Vice President McDonald called the Board Meeting of the Board of Directors to order at 1:30 p.m. All present stood for the pledge of allegiance, led by Vice President McDonald.

ROLL CALL:

BOARD MEMBERS PRESENT:

Melody McDonald, Vice President  
Bob Glaubig, Director  
David E. Raley, Director  
Manuel Aranda, Director  
Clare Henry Day, Director  
John Longville, Director (1:33 p.m. arrival)

BOARD MEMBERS ABSENT:

Richard Corneille, President, excused travel out of state

GENERAL COUNSEL PRESENT:

David B. Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

Daniel Cozad, General Manager  
Athena Medina, Administrative Services Specialist

GUESTS PRESENT:

Charles Roberts, Highland Community News  
Kip Sturgeon, East Valley Water District  
Steve Johnson, Southern California Edison

## 1. PUBLIC PARTICIPATION

Vice President McDonald announced this as the time for any persons present, who so desire, to make an oral presentation to the Board of Directors. Hearing none, the meeting continued with published agenda items.

## 2. ADDITIONS/DELETIONS TO AGENDA

There were no additions/deletions to the agenda.

## 3. PUBLIC HEARING RELATED TO ADOPTION OF THE GROUNDWATER CHARGE

Vice President McDonald opened the Public Hearing related to the adoption of the groundwater charge. General Manager, Daniel Cozad presented a Power Point on the Engineering Investigation Report (EI) required for the District to implement the groundwater charge. Mr. Cozad also presented and reviewed the Draft Groundwater Enterprise Budget for FY 2013-2014. Vice President McDonald noted that the Draft Resolution is included in the Board package for review. Vice President McDonald announced this as the time for any persons present, who so desire, to make a comment pertaining to the groundwater charge to the Board of Directors. Steve Johnson of Southern California Edison requested the Power Point presentation be forwarded to him. By acclamation, this item was tabled until action could be taken at the April 29<sup>th</sup> Special Board Meeting.

## 4. CONSENT CALENDAR

1. Approval of the Board Minutes from April 10, 2013

**It was moved by Director Longville and seconded by Director Aranda to approve Board Minutes with revisions. The motion carried 6-0 with President Corneille noted absent from vote.**

## 5. ACTION ITEMS

### A. QUARTERLY FINANCIAL REPORT

Daniel Cozad, General Manager introduced this item for discussion. He noted the information is included in packet on pages 15-18 for review. This item was reviewed at the Administrative Committee meeting on April 15<sup>th</sup> with no changes recommended. Mr. Cozad indicated that the East Branch Extension revenue is now anticipated for June 2013. He also stated that including the East Branch Extension one time revenue the estimated reserve contributions would be approximately \$785,000 for this fiscal year. The item was received and filed.

### B. PRELIMINARY DISTRICT AND ENTERPRISE BUDGET FOR 2013-2014

Mr. Cozad introduced this item for discussion stating that the budget approach for this year is the similar to Fiscal Year 2012-2013. This is the Board's first review of the budget and Staff is seeking feedback. He noted reduced costs in legal fees, mobile phones, as well as other areas. Mr. Cozad indicated revisions were made to the Wash Plan revenues in the proposed budget. There were adjustments made to the Land Resources Enterprise to account for Plunge Creek income and expenses. A new GL was added to include inter district costs and cooperative agreements including IERCD and EVWD. Based on the Community Strategic Plan Mr. Cozad added a new position in the budget and added expenses for a potential Land Resources Manager. Brief discussion ensued. There were no revisions recommended by the Board. However, this item will be brought back at the May 15<sup>th</sup> Board Meeting for approval.

### C. STAFFING LAND RESOURCES MANAGER

Mr. Cozad discussed the Community Strategic Plan referring to various land resource activities that the Board would like implemented as well as the need for an onsite Project Manager for the Wash Plan and dedicated Staff member to manager land resource tasks. He recommended adding the position and hiring of a Land Resources Manager which would be a full time position. Mr. Cozad stated the job description is on package page 33 with the salary range found on package page 41. He indicated that current land resource tasks are being handled by himself as well as partially by an independent consultant and in previous years Staff levels were higher to handle these tasks in house. Vice President McDonald and Directors Longville and Aranda spoke in support of the potential position stating that the General Manager's tasks have been increased since being hired and this position would be beneficial and is needed. Discussion ensued. Director Raley asked how the position would be funded. Mr. Cozad stated that the position would be primarily funded by the

Land Resources Enterprise with some contribution from the Groundwater Enterprise. Director Glaubig asked Staff to provide a quick estimate of what the budget may look like without the projects. Daniel indicated he would provide this analysis with the final budget. Director Raley is in support of the position with a slight modification clarifying the positions supervisory role to cover specific tasks and not general Staff supervision. General Counsel provided recommended revisions incorporated into the Position description.

**It was moved by Director Longville and seconded by Director Aranda to approve the recommended Land Resources Manager Position with revisions provided by General Counsel and with the Salary Range of M9 and Direct Staff to post the position. The motion carried 6-0 with President Corneille noted absent from the vote.**

#### D. RESERVE POLICY CHANGES FOR 2013-14

Mr. Cozad provided an overview of the proposed revisions made to the Reserve Policy. He indicated that the Groundwater Recharge Enterprise Reserve has been increased to \$200,000; which is 25% of the total budget. There is a new reserve for costs associated with the Wash Plan project. Also, there is an addition of the Habitat Management Reserve/Trust for Mitigation/Management funding reserve. Included in the revised policy is a modification to the Capital Improvement Reserve to now include Major Equipment. . Discussion ensued related to reserve accumulation and use. Vice President McDonald stated in previous year mining revenue was used to subsidize the costs of groundwater functions. Discussion ensued pertaining to the history of the subsidizing of the Groundwater enterprise using mining income. Director Raley believes the District needs to have operating capital as well as reserves. Director Aranda would like reserves specified for specific purposes or projects. Director Glaubig asked if there should be a specific reserve trigger for use. Mr. Cosgrove indicated the Board has the discretion but retaining flexibility is often more beneficial.

**It was moved by Director Day and seconded by Director Aranda to approve the revisions to the Reserve Policy. The motion carried 6-0 with President Corneille noted absent from the vote.**

#### E. STATEMENT OF INVESTMENT POLICY REVIEW

Staff indicated there were no changes from the previous policy but there is a requirement to review and update the policy. There was no discussion on the item.

**It was moved by Director Longville and seconded by Director Aranda to approve the updated Statement of Investment Policy. The motion carried 6-0 with President Corneille noted absent.**

6. MONTHLY BOARD MEMBER COMMITTEE ACTIVITY REPORTS, AND /OR COMMENTS BY BOARD MEMBERS

There was no discussion. Previously reported at April 10<sup>th</sup> meeting.

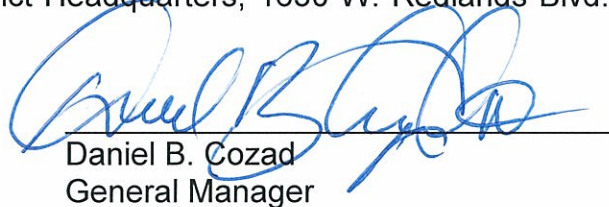
7. UPCOMING MEETINGS

Vice President McDonald advised the Board of the next Special Board meeting to be held April 29<sup>th</sup> as well as the May 15<sup>th</sup> meeting.

8. ADJOURN MEETING

**It was moved by Director Day and seconded by Director Longville to adjourn to the next scheduled meeting. The motion carried 6-0.**

At 3:16 p.m. the meeting adjourned to the Special Board Meeting scheduled for April 29, 2013 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

  
\_\_\_\_\_  
Daniel B. Cozad  
General Manager